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**Testimony Presented by Ohio Department of Aging
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The United States Senate
Special Committee on Aging
March 14, 2002
9:30 a.m.**

Opening Introduction

Thank you Mr. Chairman, Ranking Member and other members of the Senate Special Committee on Aging, for the rare opportunity to testify before this important and prestigious committee. Let me begin by acknowledging the committee's wisdom in selecting Ohio as a focal point and reference point. I say that because Ohio truly represents the nation.

Ohio Background

With 12 million citizens concentrated in America's Heartland, Ohio reflects America in every way - in diversity of race, of culture, of religion and of every demographic and economic variable. We are urban and we are rural. We are rich and we are poor. Our four largest cities rank among the top 50 most populated in the nation. Several others rank in the top 100. All reflect the strengths and weaknesses of America's cities. Our capital city, Columbus, has grown in recent years to be our largest. It boasts a diverse economy, broad-based, but relatively free of heavy industry. Our 88 counties have deep agrarian roots and maintain economies based on a mix of agriculture and industry, represented by large and small business in both service and manufacturing sectors.

One third of our state's 88 counties are within the Appalachian Region. Poorly developed transportation resources and other infrastructure necessary for economic development make this area as difficult to serve as any in the nation. In all, Ohio represents just five percent of the nation's total population, but 100 percent of the nation's fabric. The committee chose well selecting Ohio. We are truly a state of two halves. Today's topic, "The Economic Downturn & Its Impact on Seniors" is very much about the haves and the have-nots.

Agency and Personal Background

As Director of the Ohio Department of Aging, I head a cabinet level agency with an annual budget in excess of \$320 million. Nearly two thirds of our total budget fuels our popular Medicaid Waiver program which provides home care services to nearly 25,000 nursing home eligible seniors. The Ohio Department of Aging provides programmatic leadership and fiscal monitoring of the aging service delivery system comprised of 12 Area Agencies on Aging.

Each provides senior services to a multi-county area, contracting with local providers--many of which are senior centers--to provide essential services like transportation, congregate and home-delivered meals, home care, legal counsel, ombudsman and protective services, etc. Our funding is roughly 58 percent federal and 42 percent state funds. Local funding is in place in 51 of Ohio's 88 counties through property tax levies.

In addition to leading Ohio's aging network, I will celebrate my 71st birthday this year as one of nearly two million Ohio senior citizens. I personally represent the half of Ohio Senior Citizens enjoying reasonable health and personal wealth. But I am here today to speak on behalf of the less fortunate half.

I am a career advocate and activist. I served 16 years in the Ohio House of Representatives after many years as a professional volunteer and activist in the Ohio League of Women Voters. In the Ohio House, I represented a district reflective of the two Ohios, two distinct and very different counties. One was the fastest growing and most prosperous county in the state and indeed the nation; the other exhibiting all the features of Appalachia, Ohio's poorer half. My tenure spanned the difficult economic climate during the early 1980s and most of the high flying 1990s. During the late 1990s I was lead sponsor of welfare reform in Ohio, both before and after Congress acted in its reform efforts. I've been called "The Mother of Welfare Reform in Ohio" - and worse. So I come today prepared to discuss the haves and the have-nots with the experience and perspective to know the power of the cans vs. the cannots.

Major Effect of Economic Downturn - Loss of PASSPORT Funding

The economic downturn has had a dramatic effect on services to Ohio seniors. As you know, all states operate on balanced budgets. This State Fiscal Year, shrinking personal income and sales tax receipts forced an immediate cutback of 6 percent to general revenue funding. The result? A chilling effect on PASSPORT, the state's popular Medicaid waiver program that provides home-based health care and personal care services to nearly 25,000 nursing home eligible seniors.

Waiting lists formed almost immediately with the loss of more than \$3.6 million in state funding and the consequential loss of an additional \$6 million in federal Medicaid reimbursement. The economic loss to the service network and the emotional toll on seniors who rely on home care services has been devastating. Traditional referral sources like hospital discharge planners are today less likely to refer to the program. Instead, eligible would-be participants are entering nursing homes--the much costlier alternative--at an alarming rate. Nursing homes are the only alternative available to eligible seniors. In the bargain, Ohio's ability to comply with the Olmstead Decision is greatly compromised. In Ohio today, there is no choice in long-term care for the poor.

This open avenue is a direct route to further fiscal disaster. Because nursing homes cost four times as much as home care, the painful truth is that every dollar "saved" by cuts to the Medicaid waiver program has a potential cost of \$4, because the waiver program's average annual cost is \$11,200; the nursing home average is \$52,000.

It is clear in Ohio's experience that the bias toward institutional care that has existed in Ohio for three decades is long overdue for change. In Ohio, there exists no true spectrum of services, even though Ohio Governor Bob Taft has recommended that there be such a spectrum of services in a report issued in 2001 called Ohio Access for Persons with Disabilities. While the Taft Administration wants to fully fund PASSPORT, the federal institutional bias is more exacerbated in Ohio because nursing home rates are locked in state statute. With few exceptions, Medicaid eligible Ohioans have only two choices, and with PASSPORT home care waiting lists, today there is only one choice--care in a nursing home.

Governor Taft's vision is to provide people community options they prefer—options that enable dignity and real choice. People need and deserve meaningful choice in long-term care. For the poor, Ohio's PASSPORT Program provides choice at a fraction of the cost of nursing home care, but it is the very program forced to be cut in the state budget. Nursing homes remain protected from state budget cutbacks. Ironically, home care is the choice people prefer, and at a price that saves taxpayers millions per day. It could save billions more.

The states can tell you the effects of the downturn in graphic detail through heart wrenching personal stories and through rigorous review of outcome-based strategies.

States know what innovative approaches provide the most efficient and cost effective benefits. Most have experience with best practices that provide real assistance and what people really need.

But beyond the Medicaid Waiver program, its need for expansion and the need for choice, what is the state of the state in Ohio currently as a result of the economic recession? Let's review a sampling of comments from the hinterlands:

- ξ The Youngstown Area Agency on Aging reports the loss of 6,000 jobs as steel plants close. Loss of pensions and health benefits do not bode well for aging workers.
- ξ Statewide, nutrition sites report a tenfold increase in waiting lists for home delivered meals; a doubling in waiting lists for congregate meals.
- ξ Food banks throughout Ohio are reporting increased traffic—some as high as 96 percent.
- ξ Demand for senior employment services has doubled. There has been a 50 percent increase in attendance at senior job fairs.
- ξ At the same time, demand for senior employees has fallen dramatically. Contractors with Senior Community Services Employment Program (SCSEP) are working more closely with one-stop job centers even during a time when the Department of Labor hasn't figured how to deal with the distribution of additional dollars resulting from the reauthorization of the Older Americans Act. Layoffs of younger workers have triggered greater competition for available jobs. SCSEP contractors are offering skill training to help older workers compete. Training includes computer literacy. One novel project is using information technology to allow older workers in rural areas to work for companies out of their homes, utilizing computers.
- ξ Agency Directors fear support for local levies will wane along with the value of assets upon which the levies are based. More than half of Ohio's 88 counties have such levies and many are up for renewal.
- ξ The Ohio Attorney General's Office reports a 60 percent increase in restitution orders resulting from Medicaid Fraud. Convictions for abuse are up by roughly the same percentage.
- ξ Ombudsman complaints of financial exploitation by family (not against facility) rose 75 percent from last year.
- ξ During uncertain times, fear is heightened as elders are reminded of depression losses. One caseworker recounted the story of a woman whose 61-year-old son had become distant and preoccupied with his own job search just when she needed him most. The client is needing help in decision making and concrete assistance moving to assisted living from her home of 57 years.

Her son is so stressed about his job loss and loss of benefits that he is increasingly unavailable to her. This is increasing her worry and stress. Lots of intergenerational issues.

Ohio's experience yields three major themes:

Help People Help Themselves.

Fully 80 percent of long-term care services is provided by the informal caregiver network of family and friends--not Medicaid or government services. A recent Alzheimer Association study places an \$8 billion value on the care provided in Ohio alone. That's more than Ohio's total Medicaid budget. All levels of government should provide support to this network of informal caregivers. Congress can take great pride in its creation of the National Caregiver Support Program, a major enhancement to the Older Americans Act. Please know that the additional funding provided during the reauthorization of the Older Americans Act is making a difference in Ohio. Throughout Ohio, a strong consortium of associations is forming to provide educational and emotional support to families and respite care is growing along with this support.

Give People Real Choice in Long Term Care

Ohio and many other states have demonstrated the success of Medicaid Waiver programs like PASSPORT, providing home care to thousands of people at a fraction of the cost of traditional nursing home care. Expansion of such programs is part of the answer. We must all "Do the Math!" Medicaid Waiver programs save billions. An institutional bias of funding long-term care means access to affordable in-home care is severely limited. Families don't have a full range of choices unless they are wealthy enough to pay for them out of pocket. All but a very limited amount of Ohio Medicaid funds that are devoted to long-term care go to nursing homes. This institutional bias in our funding-driven system has resulted in a patchwork quilt stitched together with county levies rather than a comprehensive program that provides the best choices for families.

Support Efforts to Help People Plan for Long Term Care

States need to encourage programs that help people take personal responsibility for their own futures. Ohio promotes free personal in-home assessments to help families determine their future needs, based on a review of their own resources and their eligibility for senior programming and other assistance. In Ohio, we provide long-term care planning assistance through an on-line tool called Benefits Eligibility Screening Service (BESS). BESS was the forerunner and pilot to the newly launched national computer planning program, Benefits CheckUp, sponsored by the National Council on Aging.

Last week, we launched the Long-term Care Consumer Guide, the first Internet-based guide that incorporates detailed customer satisfaction surveys of both residents and their families alongside other pertinent information from regulatory agencies and facilities themselves. It is innovations and projects like these that will empower citizens to take their futures in hand and control their personal destinies.

Finally, a recent survey of 60,000 seniors found that prescription drug costs was the most serious concern of more than half of respondents.

Ohio Governor Bob Taft has taken up this issue of prescription drug costs, proposing a bill that would add a prescription drug discount benefit to an existing merchant/member driven discount program called the Golden Buckeye card. Legislation passed by a nearly unanimous vote in the Ohio House of Representative in June of 2001. It remains stalled in the Senate, held hostage by a small cadre of senators reluctant to release a profit margin their constituent pharmacists cling to in the life and death struggle between the haves and the have-nots. Mr. Chairman, Ranking Member and other members of the Senate Special Committee on Aging--the saga continues—in Ohio, and in the nation.

Thank you.